



The U.S. Small Business Administration's (SBA) mission to power the American dream includes helping small businesses win more contracts for work with federal agencies. The HUBZone program fuels the growth of small businesses in historically underutilized business zones (HUBZones) by providing certification for preferential access to federal contracts. The federal government has a goal to award at least three percent of all federal contracting dollars to HUBZone-certified small businesses each year and the HUBZone Program plays an important role in driving federal procurement opportunities to small businesses in undercapitalized communities.

## What's New with HUBZone?

SBA has made it easier for qualified small businesses to participate in the HUBZone program. In 2020, the agency is rolling out comprehensive changes to the program, including improvements in three major areas.

**Impact on Jobs:** HUBZone-certified small businesses invest in and hire at least 35 percent of their workforce from undercapitalized communities. The federal contracts that HUBZone small businesses earned in 2018 supported an estimated 52,000 jobs.

## Customer Service

- **Faster certification decisions:** Applications will be processed within 60 days of a complete submission.
- **Streamlined application process:** A user-friendly technology platform will be introduced in late 2020.
- **Expanded early engagement:** More technical assistance provided by our SBA District Officers and select SBA partners will help applicants navigate the certification process more smoothly.

**Impact on Capital Flow:** Federal agencies increased the number of contracts awarded to HUBZone companies for the third year in a row in 2018, resulting in more than \$9 billion flowing into undercapitalized communities across the country.



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**Impact on Local Community: Pontchartrain Partners in New Orleans, Louisiana** : When Danny Blanks, Barlow Cook, and James Washington wanted to grow their own small business, they turned to the SBA Louisiana District Office for help. Pontchartrain Partners has established itself in emergency and disaster recovery, helping rebuild the New Orleans flood protection system in the aftermath of Hurricane Katrina. In 2015, Pontchartrain Partners expanded to a 25,000-square-foot building in a HUBZone. Company revenue has grown from \$160,000 in its first year to \$35 million in 2019 and from only seven full-time, local employees to 115 across the South.

For more information and a detailed FAQ, visit [www.sba.gov/hubzone](http://www.sba.gov/hubzone).



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## Program Utilization

- **New “Legacy” employee provision:** Businesses may now count long-term HUBZone resident employees as permanent HUBZone residents, with proper documentation.
- **Stronger recertification requirements:** Firms must now recertify annually and once certified, will be eligible for all HUBZone contracts for which it qualifies, for **a period of one year**. Full documentation reviews will be required every three years.
- **Simplified contract verification:** A firm certified at the time of initial offer will generally be considered a HUBZone small business throughout the life of that contract and a firm that receives a HUBZone contract must attempt to maintain **35%** employment of HUBZone residents by demonstrating that it employs at least 20% HUBZone residents.

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## HUBZone Footprint

- **Predictability with HUBZone designations:** All HUBZone maps are frozen through 2021 and will now be updated every five years, adding critical stability for businesses and communities.
- **Expansion into rural areas:** New Governor-designated covered areas will reach more rural communities that have high unemployment.
- **Supporting long-term investment in communities:** Small businesses that purchase a building or enter a long-term lease in a HUBZone may maintain HUBZone eligibility for a total of 10 years even if at some point the office location no longer qualifies as a HUBZone (does not apply to areas currently categorized as a Redesignated Area).